



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Umpqua Holdings Corporation

Person to be contacted regarding this report:	Ron Farnsworth
CPP Funds Received:	\$214,181,000
CPP Funds Repaid to Date:	\$214,181,000
Date Funded (first funding):	11/14/2008
Date Repaid ¹ :	2/17/2010

RSSD: (For Bank Holding Companies)	2747644
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Portland
State:	Oregon

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	With the additional capital we did not need to intentionally scale back lending, which we may have done without the additional capital buffer. It is impossible to prove in hindsight given the circumstances, but this capital allowed us to continue making loans subject to inherently lower demand.
-------------------------------------	---	---

<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	We did not need the preferred stock capital to continue making loans, and did not intend to leverage it. Hence the proceeds from the preferred stock sale were immediately invested into agency MBS/CMO's, increasing our overall liquidity.
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	As noted above in the investment security section, we did not leverage the capital. Rather it represented an increase in overall liquidity and was invested into agency MBS/CMO's.

What actions were you able to avoid because of the capital infusion of CPP funds?

We did not need to raise additional equity capital during the fall/winter of 2008. We did not need to scale back lending opportunities given the additional capital.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

We assumed the insured non-brokered deposits of Bank of Clark County in an FDIC-assisted deal in January 2009 (\$182 million). The additional capital cushion from CPP allowed that assumption to not cause an additional capital raise.

On the lending side, we did not need to scale back new lending opportunities given the additional capital from the CPP funds.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

A large, empty rectangular box with a thin black border, intended for a response. The box is currently blank, with no text or markings inside.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.